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UN-HABITAT
FOR A BETTER URBAN FUTURE

Committee of Permanent Representatives to the United Nations Human Settlements Programme
Fifty-seventh meeting
Nairobi, 12 June 2015

Draft minutes of the fifty-sixth meeting of the Committee of Permanent Representatives to the United Nations Human Settlements Programme, held on 8 April 2015

Opening of the meeting

1. The meeting was opened at 9.15 a.m. on Wednesday, 8 April 2015, by Mr. Michal Mlynár, Chair of the Committee of Permanent Representatives to the United Nations Human Settlements Programme (UN-Habitat).

2. The meeting was attended by 86 participants from 61 countries and 2 observer missions.

3. The Chair welcomed the following new permanent representatives to the Committee: Mr. Virgilio Marques de Faria (Angola); Mr. Harald Günther (Austria) and Mr. Samson Ongeri (Kenya). He bade farewell to the following departing representatives, thanking them for their contribution to the work of the Committee: Mr. Sándor Koscis (Hungary) and Ms. Josephine Chilufya Phiri (Zambia)

4. The Committee observed a minute of silence as a mark of respect for the victims of the recent terrorist attack on Garissa University College in Kenya.

Agenda item 1

Adoption of the agenda

5. The agenda was adopted, as amended, on the basis of the provisional agenda (HSP/CPR/56/1/Rev.1).

Agenda item 2

Adoption of the draft minutes of the fifty-fifth regular meeting of the Committee of Permanent Representatives, held on 3 December 2014

6. The minutes of the fifty-fifth meeting of the Committee were adopted on the basis of the draft minutes (HSP/CPR/56/L.1).

Agenda item 3

Informational briefing by the Executive Director

7. Before beginning his briefing, the Executive Director expressed his condolences to the *Government and people of Kenya* following the recent attack on Garissa University College.

8. In his statement, the Executive Director briefed the Committee on key activities and missions undertaken since its previous meeting (HSP/CPR/56/3).

9. With regard to preparations for the twenty-fifth session of the Governing Council, he said that extensive discussions had been taking place and he thanked the Chair together with the representatives of Nigeria and the United States of America, as co-facilitators of the governance review process, for

their work in enabling the process of consultation. The Committee had been involved in the process and everyone understood the importance of UN-Habitat emerging from the forthcoming Council session as a united institution with strong support for its programme and activities ahead of the United Nations Conference on Housing and Sustainable Urban Development (Habitat III).

10. Among other activities and missions, he highlighted the field visit by several members of the Committee to Rwanda in February 2015, which had provided an opportunity to see at first hand the practical and close collaboration between UN-Habitat and the Government of Rwanda; visits made to Germany and the Sudan; meetings held in Japan in connection with the third World Conference on Disaster Risk Reduction; and meetings that had taken place recently at the headquarters of the African Union in Addis Ababa. He noted that the theme of the next summit of the African Union, to be held in Addis Ababa in July 2015, would be on urbanization in Africa.

11. He provided an update on work associated with the introduction of the International Public Sector Accounting Standards (IPSAS) and Umoja, the enterprise resource planning project, which had occupied a large amount of staff time, noting that IPSAS implementation would begin on 1 June 2015.

12. In the ensuing discussion, many representatives thanked the Executive Director for his briefing and joined him in expressing their condolences for the victims of the Garissa attack and their support for the Government of Kenya in combating the threat of terrorism. A number of representatives endorsed his assessment of the importance of the forthcoming Governing Council session, the last before Habitat III, and commended the preparations for the session and for the second session of the Preparatory Committee for Habitat III.

13. One representative, speaking on behalf of a group of countries, expressed appreciation for the work of the secretariat in supporting member States during preparations for the twenty-fifth session of the Governing Council, particularly in facilitating the work of the Committee on drafting resolutions. He also hailed the cooperative spirit among member States ahead of the session. A number of representatives also thanked the Chair and the representatives of Nigeria and the United States of America for their personal engagement and dedication in steering preparatory work on the UN-Habitat governance review process, and commented on the constructive and cooperative spirit prevailing in discussions.

14. The representative of Japan thanked the Executive Director and his staff and member States for their participation and the active role they had played in the third United Nations World Conference on Disaster Risk Reduction, held in Sendai, Japan, from 14 to 18 March 2015. One representative, speaking on behalf of a group of countries, welcomed the outcome of the Conference, stressing the importance of considering disaster risk reduction, resilience and climate risks in urban planning.

15. A number of representatives expressed appreciation for the field visit to Rwanda and thanked the secretariat for organizing the event. One representative said that the visit had been enlightening and helpful in terms of best practices and areas for improvement, and would be useful in guiding future UN-Habitat activities.

16. One representative, while welcoming the spread of activities mentioned in the briefing, commented that the Executive Director's report did not provide sufficient detail on the results of activities and how they had contributed to the progress achieved by UN-Habitat in discharging its mandate. He called for the Executive Director's report to focus on results achieved, particularly in relation to the work of the Committee in the intersessional period. Speaking on behalf of a group of countries, he drew attention to the important negotiations taking place in 2015 on the sustainable development goals, financing for development and climate change, and urged the Executive Director to continue his efforts to highlight the fundamental role of sustainable urbanization and human settlements for the realization of sustainable development and in addressing climate change. He called for a comprehensive briefing to the Committee on the contribution of UN-Habitat to discussions on sustainable development financing, and also for additional information on how issues related to urban and rural development were being addressed in the strategic plan for 2014–2019.

17. A number of representatives expressed support for the proposals of the Executive Director for discussions on the work programme and budget for the biennium 2016–2017 that would take place during the Governing Council session, as set out in his written report. One representative, speaking on behalf of a group of countries, called for sufficient resources to be identified to support the participation of least developed countries and small island developing States in sessions of the Governing Council and open-ended meetings of the Committee of Permanent Representatives. Several representatives expressed concern at the serious financial situation of UN-Habitat, urging the Executive Director to continue efforts to implement the resource mobilization strategy and stressing

the need to broaden the donor base and increase core income. One representative requested more information on efforts in that regard.

18. One representative voiced concern at the staffing situation in UN-Habitat, particularly with regard to the secondment of staff to the Habitat III secretariat, and queried how the secretariat was dealing with the staff shortages. Another congratulated the secretariat on the introduction of IPSAS.

19. One representative commended the success of the Global Land Tool Network, in particular for strengthening UN-Habitat partnerships with national and local authorities.

20. The representative of Kenya thanked the members of the Committee for their messages of condolence and the support and goodwill extended to the Government of Kenya following the attack in Garissa. He assured member States of security in the country ahead of the twenty-fifth session of the Governing Council.

21. The Executive Director thanked the representatives for their comments and acknowledged the support expressed for the work of UN-Habitat, which, he said, was a strong indication that UN-Habitat was on the right track and augured well for the success of the forthcoming Governing Council session. He said that his briefing had been shorter than usual owing to the other pressing issues on the agenda of the current meeting, but he assured the members that more detailed information on various issues would be made available as requested.

22. He stressed the relevance of the third United Nations World Conference on Disaster Risk Reduction, hosted by the Government of Japan, and said that the concept of "build back better", devised by the Japanese hosts, together with the United States' "rebuild by design" response to Hurricane Sandy in 2012, constituted strong principles for intervention in cases of natural disaster that had been incorporated in UN-Habitat activities in the area of risk reduction.

23. With regard to staffing issues, he reaffirmed that there was a robust firewall between the accounting of UN-Habitat and that of the Preparatory Committee for Habitat III. The secondment of UN-Habitat staff to Habitat III was minimal compared to other United Nations entities; staff financed by UN-Habitat amounted to only one and a half posts. A number of UN-Habitat staff members had been transferred to, and were financed by, the Habitat III secretariat. He undertook to provide further details of the contributions of UN-Habitat to Habitat III.

24. He welcomed expressions of willingness by member States to contribute to non-earmarked funding as an indication of the recovery of UN-Habitat in terms of attracting funding for the programme of work. The approval of the strategic plan for 2014–2019 and efforts made to improve productivity were enabling UN-Habitat to focus on the strategic issues of urbanization and having a transformative effect on urban development and on the way the organization was perceived in many parts of the world. He highlighted the importance of the forthcoming third International Conference on Financing for Development, to be held in Addis Ababa in July 2015, because of the close interrelationship between development and urbanization.

Agenda item 4

Report of the work of the Committee of Permanent Representatives during the intersessional period, including draft resolutions prepared by the Committee for transmission to the Governing Council at its twenty-fifth session

25. Introducing the item, the Chair drew attention to the note by the secretariat on the work of the Committee during the intersessional period (HSP/GC/25/3) and the note by the secretariat on draft resolutions prepared by the Committee (HSP/GC/25/3/Add.1).

26. Additional draft resolutions were being discussed by the subcommittee on policy and work programme, and member States were invited to submit any others by midday on the first day of the twenty-fifth session, Friday, 17 April 2015.

27. The Committee approved the note by the secretariat on the work of the Committee during the intersessional period (HSP/GC/25/3) and the note by the secretariat on draft resolutions prepared by the Committee (HSP/GC/25/3/Add.1) for onward transmission to the Governing Council at its twenty-fifth session. In addition, the Committee agreed to forward a summary of the present meeting to the Governing Council at its twenty-fifth session (HSP/GC/25/3/Add.2).

Agenda item 5

Preparations for the twenty-fifth session of the Governing Council

28. Introducing the item, the Chair drew attention to the matter of the opening of the Governing Council session. He noted that the Bureau of the twenty-fourth session of the Governing Council for various reasons had only one remaining member, namely the Rapporteur, Mr. Franz Marré (Germany). In the absence of the President of the outgoing Bureau, who had been unable to continue serving in that capacity, and the two vice-presidents, it was suggested that the Rapporteur should be allowed to formally open the new session prior to the election of the new Bureau and officials.

29. The Executive Director, in his statement on the item, briefly outlined the status of preparations. He urged all member States to respond to invitations with details of their delegations as soon as possible and to register online for the session; all the necessary information was available on the UN-Habitat website. He also requested regional groups to provide outstanding nominations for the members of the Bureau of the Governing Council. He drew attention, in particular, to the report of the Executive Director on the dialogue on the special theme for the twenty-fifth session of the Governing Council (HSP/GC/25/4). Several requests had been received for funding to enable the participation of least developed countries, and the secretariat was appealing to member States to consider providing additional funding for that purpose. Lastly, he reminded member States that the Governing Council would be a "PaperSmart" meeting in order to reduce costs and make the best use of available technologies.

30. The representative of the secretariat provided further details on organizational matters.

31. The representative of Kenya provided further information on protocol and logistical arrangements for participants in the second session of the Preparatory Committee for Habitat III and the twenty-fifth session of the Governing Council. He assured member States that security measures would be strengthened around the United Nations Office at Nairobi complex and hotels being used by participants.

32. In the ensuing discussion, a number of representatives expressed appreciation for the Executive Director's briefing and the preparatory work of the secretariat for the Governing Council session. Several also commended the work of participants and the co-facilitators in the subcommittee meetings.

33. One representative, speaking on behalf of a group of countries, emphasized the importance of finalizing the documentation for the session, and another urged that the preparatory work should be completed in a spirit of transparency and multilateralism.

34. One representative challenged the proposal for conducting the opening of the twenty-fifth session and called for an amendment to the rules of procedure to allow for the substitution of members of the Bureau who were unable to complete their terms of office. In order to amend the rules of procedure, the Governing Council would have to constitute a working group on the matter, to be done under a new agenda item at the start of the session to allow time for the adoption of an appropriate amendment. According to the current rules of procedure there was no provision for the Rapporteur to act as Chair under any circumstances. A resolution suspending the application of the relevant rule might prove necessary and in that case should be circulated in advance of the session to the members of the Governing Council.

35. He also called on the secretariat to review and clarify the need for specific photo identification grounds passes for the twenty-fifth session of the Council in the case of permanent representatives who already had grounds passes for the United Nations Office at Nairobi.

36. Responding to the comments, the Chair said that he would recommend an amendment to the rules of procedure of the Governing Council regarding the substitution of members of the Bureau of the Governing Council who are unable to continue to perform their functions, and assured the Committee that further consultations would take place in that regard.

Agenda item 6

Quarterly report on the financial status of UN-Habitat

37. Introducing the item, the Chair drew attention to the quarterly report on the financial status of UN-Habitat (HSP/CRP/56/6).

38. The Executive Director said that, in addition to providing quarterly data, the report was the first annual financial report produced in accordance with IPSAS, a system that marked a step forward in transparency, clarity and comparability in international accounting. The financial statement showed very positive results, including a massive reduction of the core budget deficit, from $5.2 million in

2013 to $1.2 million in 2014, and presented a clear picture of UN-Habitat income and expenditures for 2014, which were $193 million and $196 million, respectively. The report also included, for the first time, a statement of UN-Habitat assets and liabilities that was based on accrual accounting principles rather than cash-based accounting, thereby providing a clearer picture of the Programme's financial position, and specific figures on employee benefit liabilities, which amounted to approximately $33 million, and of reserves, which were in the order of $25 million. At the end of 2014, total assets amounted to $420 million. The accounts provided in the report would be audited in April and May 2015 and were therefore provisional, but UN-Habitat expected final figures to match the provisional accounts.

39. He expressed his deep appreciation to the European Union and to the Governments of Burkina Faso, Egypt, Japan, Jordan, Kuwait, Norway, Pakistan, the Russian Federation, Sri Lanka and Tunisia for their contributions to the UN-Habitat core and earmarked funds since the previous meeting of the Committee. He also welcomed new agreements signed between January and March 2015 with the Governments of Haiti, Japan and Togo, as well as the United States Agency for International Development, for earmarked activities amounting to $51.4 million. He emphasized the need for non-earmarked contributions to enable UN-Habitat to complete priority activities in the approved programme of work for 2014–2015.

40. In closing, he reported that UN-Habitat was on track to deploy the Umoja enterprise resource planning system on 1 June 2015 and was taking steps to ensure that the process would not affect its normal operations. Nevertheless, he sought the indulgence of member States should they experience any difficulties during the transitional period between 15 May and 15 June 2015.

41. In the following discussion, one representative thanked the Executive Director for his presentation. Noting that his country had long been a supporter of the IPSAS and Umoja reforms, he commended UN-Habitat staff for the implementation of IPSAS, which he said was an extraordinary achievement, and urged the deployment of Umoja by the 1 June 2015 deadline to make Nairobi a pathbreaker with respect to the initiative within the United Nations. He said that the reduction in the core budget deficit was encouraging, even if it had entailed costs for UN-Habitat in terms of staff and capabilities, and asked how far the core budget reserve was from mandatory reserve levels required by the General Assembly.

42. The Executive Director said that UN-Habitat was required to have reserves of $6.2 million in the United Nations Habitat and Human Settlements Foundation general purpose account, with all other reserves being precautionary, so it had considerable room to manage its reserves, which exceeded that figure. In addition, the $33 million figure calculated for liabilities represented a very conservative figure that would likely be reduced after further analysis, resulting in an increase in reserves. Regarding the core budget deficit, UN-Habitat had implemented a strategy that had reduced the deficit beyond anticipated levels and expected to further reduce it to $700,000 in 2015 and to reach a balanced budget in 2016; these projections assumed an income increase through a modest rise in non-earmarked contributions and the continued containment of expenditures, based on trends observed over the previous years.

43. UN-Habitat was also engaged in a budgetary exercise that sought to deepen reforms and also make available around $2 million for the implementation of priority activities under the strategic plan. UN-Habitat had undertaken profound reforms to increase its productivity, transparency and accountability and to focus on strategic activities, all of which gave it the moral legitimacy to request additional non-earmarked contributions in order to sustain its work.

Agenda item 7

Annual report on the implementation of the strategic plan for 2014–2019

44. Introducing the item, the Chair drew attention to the draft annual progress report 2014: implementation of the strategic plan (2014–2019) (HSP/CPR/56/7).

45. The Executive Director said that the current strategic plan, covering the period 2014–2019, was tied to the administrative reforms undertaken by UN-Habitat; together they provided strategic direction for the Programme. UN-Habitat was on track to achieve most of the strategic priorities for the 2014–2015 biennium and expected to reach an implementation rate of between 80 and 85 per cent, which was very high given its financial situation. In addition, UN-Habitat was following closely the discussions on the post-2015 development agenda, the climate change negotiations and the preparations for Habitat III to ensure that within those processes UN-Habitat was recognized as the United Nations entity dealing with sustainable urbanization, and to ensure that it was fit-for-purpose and had the political support required to achieve its objectives. He expressed the hope that, at its

twenty-fifth session, the Governing Council would agree on outcomes that would support those aspirations.

46. In the ensuing discussion, one representative, speaking on behalf of a group of countries, called for the efficient and effective management of the information provided in the progress report, noting that the impact of UN-Habitat work would be measured on the basis of its impact on cross-cutting issues relating to urbanization and human settlements. He said that achieving proposed goal 11 of the sustainable development goals, which referred to making cities and human settlements inclusive, safe, resilient and sustainable, required that UN-Habitat address all aspects of human settlements in its strategic plan. He urged the Programme to continue to respond to the aspirations of member States within the scope of its mandate. He also urged UN-Habitat to enhance synergies with regional bodies, in particular the subcommittee on urban development and human settlements of the Specialized Technical Committee on Public Service, Local Government, Urban Development and Decentralization of the African Union, including through the provision of technical support to facilitate the implementation of the UN-Habitat strategic plan and programme of work.

47. The Executive Director said that the creation of a formal subcommittee on urban development and human settlements by the African Union was a positive development that would facilitate further cooperation between UN-Habitat and the African region and help the African continent to tackle the challenges of urbanization in a positive manner. It was also excellent news that urbanization had been recognized as a formal component of the continent's development strategy, including in the context of Agenda 2063. UN-Habitat stood ready to work with African countries, both through its new office in Addis Ababa, which had been created to facilitate further cooperation with the African Union, and through its Nairobi office.

Agenda item 8

Report on the work of the subcommittees

48. The Chair introduced a report on the work of the subcommittees of the Committee of Permanent Representatives (HSP/CPR/56/8).

49. The Committee took note of the information provided in the report.

Agenda item 9

Any other matters

50. The Chair reported that, following internal consultations, the Bureau had proposed that the dates of the fifty-seventh and fifty-ninth regular meetings of the Committee, scheduled for 17 June and 16 December 2015, respectively, be changed to 10 June and 2 December 2015, respectively.

51. The Committee agreed to change the dates of the fifty-seventh and fifty-ninth meetings as proposed.

52. One representative, speaking on behalf of a group of countries, said that the two-day visit of Committee members to Rwanda organized by UN-Habitat had been a success and given members the opportunity to witness the Programme's important field work. He called on the Executive Director to strengthen the outreach and public communications functions of UN-Habitat; UN-Habitat needed to better showcase its work and achievements to all stakeholders in order to attract increased support and funding for the Programme.

53. Another representative asked whether UN-Habitat activities in Rwanda could be replicated in other countries.

54. Responding to comments, the Executive Director said that UN-Habitat was working to rearrange its budget in order to increase budget allocations for advocacy and communications and strengthen its outreach and public communications efforts. Regarding the possible replication of activities carried out in Rwanda, he said that the programme implemented in Rwanda, called Achieving Sustainable Urban Development (ASUD), had been implemented in four other pilot countries, namely Colombia, Egypt, Mozambique and the Philippines, and was to be expanded to five additional countries once financial resources became available. Noting that the first phase of the programme, which was inexpensive but extremely effective, had been financed primarily by the Government of Spain, he invited other countries to contribute to it and suggested that interested countries meet during the twenty-fifth session of the Governing Council to consider the possibility of participating in the second phase of the programme.

55. He announced the appointment of Ms. Mariam Yunusa as Head of the UN-Habitat Liaison Office to the African Union in Addis Ababa, and the appointment to the Advisory Group on Gender Issues of Mr. Yogeshwar Varma (India) and Ms. Elena Dumitru (Romania).

56. The Deputy Executive Director said that if UN-Habitat had been able to achieve progress in Rwanda, where conditions had been so challenging in terms of peaceful coexistence, climate change, high population density and extreme poverty, progress could be achieved anywhere where there was sufficient political will to implement UN-Habitat recommendations. She thanked all those who had funded UN-Habitat catalytic work, of which the ASUD programme was a key example, and offered to provide more details on such work during the second session of the Preparatory Committee for Habitat III and the twenty-fifth session of the Governing Council in the context of discussions on the new urban agenda.

57. The meeting was declared closed at 12.20 p.m. on Tuesday, 8 April 2015.